

# MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting  
Oscoda, Michigan  
May 24, 2017

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Pursuant to Section 31 of Act 327 of the Public Acts of 1945, the Commissioners of the Michigan Aeronautics Commission, created by said act, met in Oscoda, Michigan, on Wednesday, May 24, 2017.

## Members Present

Russ Kavalhuna, Chairman  
J. David VanderVeen, Vice Chairman  
Rick Fiddler, Commissioner  
Roger Salo, Commissioner  
Pete Kamarainen, Commissioner  
Kevin Jacobs, Designee – MDNR  
Maj. Gen. Len Isabelle, Designee – MDMVA  
Dave Brickey, Legal Counsel  
Mike Trout, Director

## Staff Present

Dave Baker  
Judy Baker  
Bryan Budds  
Elyse Lower  
Pauline Misjak  
Brigitte Pricco  
Linn Smith  
Anu Taneja

## Members Absent

Laura Mester, Designee – MDOT  
Capt. Joe Gasper, Designee – MSP

## Also Present

Matt Barresi, Gaylord Regional Airport  
Kevin Boyat, Alcona County  
David Dailey, Greenbush Township  
Drew Feiock  
Rob Huebel, Iosco County  
Connie Kalitta, Kalitta Air  
Doug Kalitta, Kalitta Charters II  
Gary Kellan, Oscoda-Wurtsmith Airport  
Mike Munson, Iosco County  
Jeff Nagel, MBS International Airport  
Keith Newell  
Don Nolan, Kalitta Air  
Karl Randall, Oakland County International Airport  
Ann Richards, Oscoda Township  
Pete Sanderlin, Kalitta Air  
John Scanlon, Phoenix Composite Solutions  
Sandy Scanlon, Phoenix Composite Solutions  
Robert Stalker, Oscoda Township  
John Swise, Alcona County  
Stephanie Ward, Mead & Hunt



## I. OPENING REMARKS

The May 24, 2017 Michigan Aeronautics Commission (Commission) meeting was called to order by Chairman Russ Kavalhuna at 10:10 a.m. Chairman Kavalhuna welcomed all those present. He asked everyone to rise, and the Pledge of Allegiance was cited.

Roll call was taken. Commissioners Laura Mester and Joe Gasper were absent.

## II. WELCOME

Chairman Kavalhuna introduced Gary Kellan, Oscoda-Wurtsmith Airport manager, and thanked him for hosting the Michigan Aeronautics Commission meeting. Chairman Kavalhuna and Director Mike Trout presented Mr. Kellan with a certificate of appreciation. The following inscription was read:

*Certificate of appreciation is presented to Gary Kellan, Manager, Oscoda-Wurtsmith Airport, for hosting the annual off-site meeting of the Michigan Aeronautics Commission in beautiful Oscoda, your professionalism and dedication to the Oscoda-Wurtsmith Airport and your knowledge and pride as an ambassador for the community. Please accept our sincere thanks for your generous and outstanding hospitality.*

Chairman Kavalhuna congratulated Mr. Kellan for his outstanding work. Mr. Kellan expressed his appreciation and thanked the Commission for the honor.

On behalf of the Oscoda community, regional partners, and Oscoda-Wurtsmith Airport Authority, Mr. Kellan welcomed everyone and expressed his sincere appreciation to the Commission for conducting their meeting in Oscoda and taking time to tour facilities on the airport. He thanked Director Trout and the Office of Aeronautics staff for their continued support. Mr. Kellan proceeded to introduce partners and board members in attendance and spoke about key initiatives and future developments of the airport.

Chairman Kavalhuna thanked Mr. Kellan for the introductions and his comments.

## III. COMMISSION BUSINESS

- A. Chairman Kavalhuna asked if there were any revisions to the minutes of the meeting held on March 29, 2017. There were none. He entertained a motion and support to approve the minutes. The motion was moved by Vice Chairman Dave VanderVeen and supported by Commissioner Rick Fiddler to approve the minutes as presented. **All voted in favor.**
- B. Chairman Kavalhuna asked Dave Baker to present the airport sponsor contracts. Mr. Baker proceeded to explain each contract.



- Airport Sponsor Contracts
  1. Lenawee County Airport, Adrian
  2. Roben – Hood Airport, Big Rapids
  3. Tuscola Area Airport, Caro
  4. Fitch H. Beach Municipal, Charlotte
  5. Cheboygan County Airport, Cheboygan
  6. Clare Municipal Airport, Clare
  7. Detroit Metro Wayne County Airport, Detroit
  8. Gladwin Zettel Memorial, Gladwin
  9. Grand Haven Memorial Airpark, Grand Haven
  10. Hastings City/Barry County Airport, Hastings
  11. Hastings City/Barry County Airport, Hastings
  12. Hillsdale Municipal Airport, Hillsdale
  13. DuPont – Lapeer Airport, Lapeer
  14. DuPont – Lapeer Airport, Lapeer
  15. Sawyer International Airport, Marquette
  16. Oscoda County Dennis Kauffman Memorial Airport, Mio
  17. Oscoda County Dennis Kauffman Memorial Airport, Mio
  18. Monroe Custer Airport, Monroe
  19. Monroe Custer Airport, Monroe
  20. Ontonagon County Airport – Schuster Field, Ontonagon
  21. MBS International Airport, Saginaw
  22. MBS International Airport, Saginaw
  23. MBS International Airport, Saginaw
  24. Saginaw County H.W. Browne Airport, Saginaw
  25. Sandusky City Airport, Sandusky
  26. Sault Ste. Marie Municipal – Sanderson Airport, Sault Ste. Marie
  27. Oakland/Troy Airport, Troy

Chairman Kavalhuna asked if there were any further comments or questions. Hearing none, he entertained a motion and support to approve item Nos. 1-27, airport sponsor contracts. The motion was moved by Commissioner Roger Salo and supported by Commissioner Len Isabelle to approve the contracts. **All voted in favor.**

*(Due to a potential conflict of interest, Vice Chairman VanderVeen abstained from voting on airport sponsor contract No.27, Oakland/Troy Airport, Troy.)*

A complete list of contract descriptions can be viewed on the Michigan Aeronautics Commission web page under “Meetings” and then “Commission Contract Approvals” at [www.michigan.gov/aero](http://www.michigan.gov/aero).

Chairman Kavalhuna thanked Mr. Baker for his report.

## IV. REPORTS

### A. MAC Director Report

Director Trout welcomed everyone and thanked Mr. Kellan for hosting the Michigan Aeronautics Commission.

#### Statistics

Director Trout reported on the following:

- Fuel Tax Revenue
  - Excise (3¢) FY to Date (Oct. – April)  
2017 = \$3,499,483  
2016 = \$2,947,269  
(18.7% increase)
  - Sales (2%) 2017 – FY to Date  
Q1 = \$1,838,231  
(SAF 35% - \$643,381/QAF 65% - \$1,194,850)  
Q2 = \$1,854,654  
(SAF 35% - \$649,129/QAF 65% - \$1,205,525)  
Q3=\$2,203,688  
(SAF 35% - \$771,290/QAF 65% - \$1,432,398)  
*Note:* SAF = State Aeronautics Fund  
QAF = Qualified Airport Fund
- Tall Structure Permits
  - 2017 = 1,380 (3 wind turbines) Year to Date
  - 2016 = 3,698 (466 wind turbines) Year Total
- Registered Aircraft Renewals
  - 2017 = 5,369 Year To Date
  - 2016 = 5,752 Year Total
- State Aircraft Flight Hours – FY to Date (Oct. – April)
  - 2017 = 529.8 (4.8% increase)
  - 2016 = 505.2

#### Federal Legislation

The \$1.2 trillion omnibus bill to fund federal government programs and agencies was approved through the end of Fiscal Year (FY) 2017. The legislation provides funding for critical highway, transit, rail, and aviation programs (AIP, EAS, NextGen, and Contract Towers). There are numerous proposals being discussed by the Trump Administration, in reference to the FY 2018 federal budget. The Office of Aeronautics will continue to monitor the status of this legislation.



### State Legislation

- FY 2018 Proposed State Budget
  - Aviation revenue unchanged from FY 2017
  - Boilerplate Language
    - Request for proposals to solicit bids for a third party to manage aircraft.
    - Sale of two airplanes by the end of 2017.
- HB 4350/4351, reported with recommendation to pass by the House Tax Policy Committee. Expecting full House of Representatives vote tomorrow.
  - Exempt aircraft parts for repairs and maintenance from sales and use tax.
- HB 4063/4064, signed by Gov. Snyder on May 8, 2017 (effective August 7, 2017)
  - Prohibits intentionally aiming a laser pointer at an aircraft or moving train.
  - Provides criminal procedures and sentencing guidelines, with a maximum punishment of five years in prison and a \$10,000 fine.

### Performance Audit Report

During 2016, an audit was conducted by the Office of the Auditor General for FY 2014 through August 2016. The conclusion of the audit was found to be sufficient oversight of the AIP and effective administration of safety and education programs, air transportation services, and organizational functions. The status of prior audit follow-ups from FY 2012 were found to be sufficient and complied with. Director Trout congratulated the Office of Aeronautics staff for their great work.

### Strategic Planning

Director Trout spoke about the Wildly Important Goals for the Office of Aeronautics:

- Michigan Aeronautics Code Update
- Grant Closeout Process Improvement
- Flight Operations Manual Update

### Five-Year Transportation Program

The five-year plan is a rolling report, updated annually, and includes all modes of transportation. A draft report will be presented to the State Transportation Commission in July, with request for final approval in September.

### Michigan Aviation System Plan (MASP) Update

Public meetings were held in Gaylord, Grand Rapids, Marquette, and Pontiac with representatives from Mead & Hunt presenting the MASP update. These meetings were held during the month of May.

### Recognitions

- Tara Ball promoted to Supervisor, Transport Unit, previously held by Tera Fricke.
- Linn Smith promoted to Supervisor, Project Support Unit, previously held by Mark Grennell.
- Doug Carsten, Pilot, is leaving the Office of Aeronautics to work with a commercial airline.
- Vice Chairman VanderVeen was inducted in the Michigan Aviation Hall of Fame on May 13.



### Safety Seminar

Director Trout spoke about the Aviation Safety Seminar held at the Office of Aeronautics, supported by the Aircraft Owners and Pilots Association. There were approximately 50 general aviation pilots from as far away as Flint, Ann Arbor and Jackson. Operating from non-towered airports and ways to reduce the accident rate in the general aviation community were topics of the seminar.

### Coming Soon

- FAA/Congressional Briefing – June 6, Lansing
- Michigan Aeronautics Commission Meeting – July 26, Lansing
- EAA AirVenture – July 24-30, Oshkosh, Wisconsin
- NASAO Annual Conference – September 9-13, Point Clear, Alabama
- MAAE Fall Conference – September 11-15, Escanaba

Director Trout's report can be viewed in full on the Michigan Aeronautics Commission web page under "Director's Reports" at [www.michigan.gov/aero](http://www.michigan.gov/aero).

- B. Chairman Kavalhuna asked Commissioner Pete Kamarainen to give his report on the General Aviation (GA) Advisory Committee.

Commissioner Kamarainen began by recognizing Mr. Connie Kalitta (Owner/President of Kalitta Air) and stated that it is an honor to have Mr. Kalitta present at the meeting.

Commissioner Kamarainen stated that the drive of the GA Advisory Committee is education and outreach. The committee connects with STEM (Science, Technology, Engineering and Math) education. STEM is especially relevant to the Oscoda community due to their learning lab – the Oscoda-Wurtsmith Airport. Linking the airport with the school district provides an abundance of potential aviation professionals.

The GA Advisory Committee continues to work on an electronic passport program to encourage more flying throughout Michigan. Work is also being done to preserve the Two Hearted Airstrip, located in the Upper Peninsula. During the last GA Advisory Committee meeting, members discussed reports regarding the current situation at Coleman A. Young Municipal Airport in Detroit.

Commissioner Kamarainen also stated that on June 16-18, 2017, North Fox Island will be hosting the Recreational Aviation Foundation (RAF) Trail fly-in. North Fox Island will be one of about ten airports to be visited by a group of airplanes.

Chairman Kavalhuna thanked Commissioner Kamarainen for his report.

- C. Chairman Kavalhuna asked Vice Chairman VanderVeen to give his report on the Commercial Air Service (CAS) Advisory Committee.

Vice Chairman VanderVeen began by stating that the State Aeronautics Fund cash balance has been adversely impacted, due to projects not being closed in a timely manner. During the Commission meeting in March, several recommendations were made to improve the closeout process. Progress is being made. Since March, there have been three project closeouts at large airports bringing the fund to a positive cash balance.

Vice Chairman VanderVeen reported that a closeout process improvement activity will be conducted over a five-day period by the MDOT Performance Excellence Section. Participants will include MDOT Office of Aeronautics, MDOT Finance staff, FAA, and other stakeholders. He also reported that a grant coordinator position is being added to the Programming Section to assist with closeouts and other tasks.

Chairman Kavalhuna thanked Vice Chairman VanderVeen for his report.

- D. There was no Safety Advisory Committee update. Commissioner Salo will report during the next Commission meeting on topics he and his committee currently are working on.

## **V. PRESENTATION**

- A. Chairman Kavalhuna asked Stephanie Ward from Mead & Hunt to present the final draft of the MASP.

Ms. Ward presented an overview of the final draft MASP report. Public meetings were held at four locations throughout the state presenting the draft findings. A copy of the final draft was provided to each commissioner for their review over the next 30 days, with possible adoption in July during the next Commission meeting.

Chairman Kavalhuna thanked Ms. Ward for her presentation.

## **VI. COMMISSION COMMENTS**

### Congressional Letter – Privatization of Air Traffic Control

Chairman Kavalhuna reported that he has decided to wait until a more specific proposal is presented regarding the privatization of the Air Traffic Control System, before mailing letters to Congress. It is understood that there may be objectionable issues related to the proposal, including the composition of the oversight body and how to fund the system. However, a formalized plan has not yet been made publicly available for review. Therefore, the current position is to fully understand the impacts of this potential action and then act accordingly, keeping in mind the purpose of serving the best interests of Michigan residents.

### Congressional Letter – Proposed Essential Air Service (EAS) Cuts

Chairman Kavalhuna also reported that the Commission received a letter from the affected airports questioning why they did not include the issue on EAS cuts in the prior Congressional draft letter. While the Commission specifically did not address this clearly separate and distinct issue in the discussion related to air traffic control privatization, they have supported a strong

EAS program in several other ways. The Commission did not intend to leave any negative impacts related to proposed EAS program cuts unaddressed, it simply was handled separately. Many groups have weighed in on this matter, including those that commissioners and staff work closely with.

While the original Trump Administration budget blueprint described EAS program cuts to the FY 2018 federal budget, there was also concern that the mid-year FY 2017 appropriation bill may also seek to cut EAS funding. The funding support was included in the continuing resolution recently passed by Congress for FY 2017. A full FY 2018 federal budget has yet to be passed, but the Commission and staff will monitor its development in the coming months.

Vice Chairman VanderVeen clarified that he did make the motion during the last meeting to draft and mail letters to the Michigan Congressional Delegation opposing air traffic control privatization, if the governing board was to be dominated by airline representative interests.

Commissioner Salo stated that from everything he has read on air traffic control privatization, costs will go up and funding will go down.

There were no further comments.

## **VII. PUBLIC COMMENTS**

Chairman Kavalhuna asked if anyone would like to make a public comment.

Sandy Scanlon, Phoenix Composite Solutions, promoted Oscoda as an all-sports area, highlighting its beautiful beaches, trails for skiing, cycling, horseback riding and more.

There were no further comments.

## **CLOSING**

The next Michigan Aeronautics Commission meeting is scheduled for Wednesday, July 26, 2017, 10:00 a.m., in the Aeronautics Auditorium, Lansing, Michigan.

The meeting was adjourned at 11:45 a.m. After the meeting, there was a tour of the Oscoda-Wurtsmith Airport, including Kalitta Air operations.

(approved/signed, original copy on file)

Russell A. Kavalhuna, Chairman

(approved/signed, original copy on file)

Michael G. Trout, Director

Dated: July 26, 2017

